PCED Philippine Center for Economic Development Annual Report **2014**

PCED Philippine Center for Economic Development

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Tel: (632) 920-5463 Fax No. : (632) 921-3359 Email: info@pced.gov.ph or visit our website www.pced.gov.ph ISSN No. 2345-8399 The Philippine Center for Economic Development (PCED) was created on 15 March 1974 by Presidential Decree (PD) No. 453 with the sole function of giving financial and moral support to the programs of the School of Economics of the University of the Philippines.

Mission

It is envisioned that through the financial support of the Center, the School will be able to undertake its academic functions on a larger scale, ultimately contributing to the country's continuing and accelerated efforts at national development.

Vision

To give financial and moral support to the research, teaching, training and other programs of the School of Economics of the University of the Philippines.

The Center is directed to formulate a program for financing the programs of the School, including the endowment of faculty chairs. Being independent of this assistance, the School remains under the academic and administrative supervision of the University of the Philippines System, relying on faculty initiative as the prime means of developing competent training and research programs.

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PCED Mission and Vision

Continued from inside front cover...

The support of the Center extends to programs related to all of the following functions of the School which are to:

- Conduct and engage in economic research oriented towards national policy and the needs of national development, particularly in the areas of:
 - a. monetary and fiscal policy;
 - b. tariff and trade policy;
 - c. industrial and agricultural policy;
 - d. regional economic development;
 - e. long-, medium-, and short-term economic planning;
 - f. human resourcesand employment;
 - g. economic aspectsof education, health, and social development in general; and
 - h. statistical programs and policy.

- 2. Undertake training programs designed to provide the government and the nation as a whole with planners, analysts and economic statisticians; or in general, with technicians skilled and knowledgeable in the problems of economic development;
- 3. Serve as the medium for bringing together experts and specialists in other disciplines to conduct studies and investigations, and engage in the interchange of ideas so as to bring their knowledge and experience to bear on common local problems, with a view to evolving fresh ideas and approaches that could be effectively applied to economic development; and
- 4. Engage in the publication of the results of research.

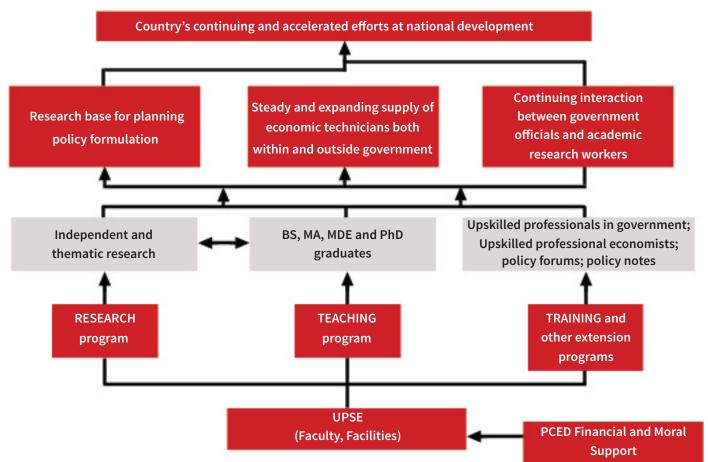


Figure 1. The PCED Mandate (PD 453)



Message from the Chair

The Philippine Center for Economic Development (PCED) has been providing significant support to the UP School of Economics (UPSE) in conducting and publishing economic development research, and in training economic planners, development managers, analysts, statisticians, and development workers and technicians since its establishment in 1974. These grants have enabled the faculty and staff of the UPSE to raise the level of public debate on the country's development directions with incisive critique and public policy analyses.

In 2014, the PCED remained committed to its vision of providing financial support to the various programs of the School. It has financed studies on a range of economic and social issues relevant to the country and provided support in the conduct of seminars and forums in the UPSE which served as venues for the discussion and dissemination of a wide range of development issues among various stakeholders as well as with local and international experts on public policy, political science, and economics.

Through the provision of financial aid and scholarship to promising students, the Center has helped the UPSE develop leaders in government, industry, civil society, and the academe. It has also been instrumental in supporting the School in maintaining its physical facilities, especially its library, in order to deliver excellent and quality economics education to students.

On behalf of the PCED, I am extending my gratitude to all who have helped and supported us in accomplishing our mandate of enhancing the quality of economics education. We will continue to work to be a valuable source of policy options to address national socioeconomic concerns. As the country forges ahead with its inclusive growth agenda, the role of the PCED in helping generate evidence for decision making, in creating opportunities for meaningful public discussion, and in developing a pool of academic talents and thought leaders has become even more crucial. Your committed support in generating relevant and timely knowledge in development economics will definitely go a long way. We look forward to maintaining this productive relationship between the PCED and its partners, including the UPSE, in contributing to the country's continuing and accelerating efforts towards inclusive and sustainable development.

Hon. Arsenio M. Balisacan

Secretary of Socioeconomic Planning PCED Chairman of the Board I am delighted to present the 2014 Annual Report of the Philippine Center for Economic Development (PCED) which has clearly manifested that the PCED has consistently delivered moral and financial support to the research, teaching, training and other programs of the UP School of Economics (UPSE).

In 2014, the PCED provided financial support to numerous research activities. A total of 14 new research contracts to faculty and professional staff were issued, and a total of 16 discussion papers and 6 policy notes supported by PCED were completed. The completed research covered various fields such as social protection, gender equality, health, labor, growth and development, agriculture, and finance.

Further, 39 seminars were held under the UPSE-PCED Seminar Series supporting the dissemination of studies undertaken by both faculty and students as well as visitors from other universities and institutions. Also, the PCED supported the launching of two books – "Cesar Virata: Life and Times through Four Decades of Philippine Economic History" authored by our very own Dr. Gerardo Sicat and the "Sustainable Economic Development" edited by Sec. Arsenio Balisacan and Dr. Majah-Leah Ravago together with Prof. Ujjayant Chakravorty of Tufts University.

As we focus our activities to address new research thrusts, we will continue to shed light on policy issues, to provide training to our partners in various sectors, to build on the tradition of organizing forums on key economic, political and social issues, and to support first-rate economics education of Filipinos.

The PCED thrives from the support it has received from its stakeholders, officials, and staff. To all these people we owe our debt of gratitude.

Farm I Ulando

Ramon L. Clarete, PhD *Executive Director* Philippine Center for Economic Development



Message from the Executive Director

PCED Supported Activities and Accomplishments in 2014

In 2014, the PCED supported 14 new research studies by faculty and professional staff. These include 11 independent research studies, and 3 bibliographic research studies. Each study is given one year to complete their research project. Below are the 2014 PCED research contracts for UPSE faculty and staff.

Tal	Table 1. Independent Research					
	AUTHOR	TITLE	CONTRACT DURATION	TOTAL CONTRACT PRICE		
1	J.J. Capuno	Do Middle Income Classes Have Middle Class Values? An Exploration Of Philippine Data	7 Jan 2014 7 Jan 2015	659,016.00		
2	A.D. Kraft	Inequalities in Maternal and Child Health Care Intervention Coverage and Outcomes: A Baseline for the Aquino Health Agenda	10 Jan. 2014 10Jan 2015 Extended: June 2015	546,552.00		
3	T.M.C. Monsod	Exploring the Use of the 2009 Housing Preference and Affordability Survey (HPAS) for Evidence- based Housing Policy	19 Feb. 2014 19 Feb 2015 Extended: August 2015	528,900.00		
4	C.D. Magno	Analysis Of The Impact of Excise Tax On Softdrinks	31-May 2014 31 May 2015	332,236.80		
5	L.Escresa	Cross-National Corruption Measures: A Comparison	18-Jun-2014 16-Jun-2015	332,236.80		
6	A.L. Arcenas	The Impact of Temperature Change on Food Security in the Philippines: Should the Country be Alaramed?	2 Sep 2014 31 Aug 2015	423,120.00		
7	E.A. Tan	How We Measure Poverty Understates its Depth and Extent	3 Oct 2014 26 Sep 2015	200,000.00		
8	S.L.S. Daway	Transitioning to a Higher Retirement Age	3 Oct 2014 26 Sep 2015	332,236.80		
9	M.L.V. Ravago	Optimal Investment in Preparedness of Farm Households	3 Oct 2014 29 Sep 2015	332,236.80		
10	R.V. Fabella	Piketty and Inequality, Meta-Market Failures and the Role of the State	13 Oct 2014 9 Oct 2015	200,000.00		
11	R.L. Clarete	Measuring Trade Costs and Gains from Trade Facilitation in the Philippines	13 Oct 2014 10 Oct 2015	757,593.60		

Tab	Table 2. Collaborative Research					
	AUTHOR	TITLE	CONTRACT DURATION	TOTAL CONTRACT PRICE		
1	R.P. Alonzo R.M.T. Balanquit R.E. Reside Jr.	Principal Agent Issue in PPP in Search of Improved Infrastructure Procure- ment Mechanisms in the Philippines	15 Jul 13 15 Jul 14 Extended: January 2015	510,000.00		
2	R.P. Alonzo E.S. de Dios R.V. Fabella	Intergenerational Fairness and Updating of the Schedule of Penalties and Damage Under the Revised Penal	15Jul13 15Jul14 Extended: January 2015	510,000.00		
3	M.V. Ravago D.S. Mapa	Household Coping and Recovery from Nature's Wrath: Rising from the Ruins of Yolanda	11 Apr 13 31 Mar 14 Extended: December 2014	340,062.00		
4	S.L.A. Quimbo J.J. Capuno A.D.Kraft	Conditional Cash Transfers and Household Consumption Expenditure	11 Apr 13 31 Mar 14 Extended: December 2014	510,093.00		

Tab	Table 3. UPSE Library Research					
AUTHOR		TITLE	CONTRACT DURATION	TOTAL CONTRACT PRICE		
1	B.B. Dayrit	Establishing a Digital Institutional Repository for the UPSE Covering Research Works of the UPSE Faculty Members from 1965-2015	30 Oct 2014 27 Oct 2015	51,446.20		
2	F. dela Rosa	Establishing a Digital Institutional Repository for the UPSE Covering Research Works of the Deans of the School of Economics from 1965-2016	31 Oct 2014 27 Oct 2015	75,242.40		
3	Ma. R. Luz	Establishing a Digital Institutional Repository for the UPSE Covering the Research Works of the Professor Emeriti of the School of Economics from 1965-2015	31 Oct 2014 27 Oct 2015	64,483.20		

Completed Research

The following PCED-funded studies were completed and released as one of the following types of output: a UPSE discussion paper (DP), an UPSE working paper (WP), or a PCED policy note PN).

A. UPSE Discussion Papers

DP 2014-04

Rights and Capabilities: Reading the Philippine Magna Carta of Women from the Perspective of the Capabilities Approach

Abstract: The Magna Carta of Women (R.A. 7910) is the Philippines' comprehensive women's human rights law. The Magna Carta of Women is found to be consistent with Rawlsian notions of justice, particularly when it undertakes inequality evaluation in primary goods. Identity-based inequality evaluation is also present in the Magna Carta of Women as implied in its definition of discrimination and marginalization. With the state as the primary duty bearer, the Magna Carta of Women gives prominence to an instrumental view of agency since participation is mediated through state mechanisms and institutions. The Magna Carta of Women fails to acknowledge the contributions

of care work and the implications of the gendered division of labor. The capabilities approach highlights the challenges attached to these observations. Where human rights are viewed as ethical demands, the MCW succeeds in giving attention to aspects of women's lives that require state support. *M.B.Durano*

DP 2014-06

Why Do People Leave Bequests? For Love or Self-Interest? Evidence from a New International Survey of Bequest Plans

Abstract: This paper discusses three alternative assumptions concerning household preferences (altruism, selfinterest, and a desire for dynasty building) and shows that these assumptions have very different implications for bequest motives and bequest division. After reviewing some of the literature on actual bequests, bequest motives, and bequest division, the paper presents data on the strength of bequest motives, stated bequest motives, and bequest division plans from a new international survey conducted in China, India, Japan, and the United States. It finds striking inter-country differences in bequest plans, with the bequest plans of Americans and Indians appearing to be much more consistent with altruistic preferences than those of the Japanese and Chinese and the bequest plans of the Japanese and Chinese appearing to be much more consistent with selfish preferences than those of Americans and Indians. These findings have important implications for the efficacy and desirability of stimulative fiscal policies, public pensions, and inheritance taxes.' C.Y.Horioka

DP 2014-08 Who Are Poor and Do They Remain Poor?

Abstract: This paper examines the link between poverty and income, on the one hand, and

human capital and location, on the other. In the process, the paper proposes a shift in the household indicator of human capital from the usual education of the household head to the education of the most educated member. The paper finds poverty to be most severe and persistent for households with low human capital, and that the effect of human capital varies substantially across locations. Additionally, the paper finds that low human capital households tend to underinvest in the human capital of school-age members, likely perpetuating poverty. E.A. Tan and G.M. Ducanes

DP 2014-14

Exchange-Rate Overshooting: An Analysis for Intermediate Macroeconomics Students

Abstract: While exchange rate dynamics is an important topic in open economy macroeconomics, the standard tool commonly used to introduce exchange rate dynamics – the Dornbusch (1976) seminal paper along with phase diagram – is not well-suited for undergraduate students as most of them do not yet have a background on dynamic macroeconomic analysis.

This paper attempts to provide a graphical device – a panel *IS**-

LM* diagram – which can be used to teach intermediate macroeconomics students about Dornbusch's idea of exchange rate dynamics. In addition, it also attempts to bridge the gap between undergraduate teaching and graduate teaching of exchange rate dynamics by showing the correspondence between the economy's adjustment path in the *IS*-LM** diagram and that in the phase diagram. *F.B.N. Carlos*

DP 2014-15

Improving Credit Access for the Food and Agriculture Sector through Enhanced Implementation of Existing Policies and New Strategies

Abstract: For several decades, the Philippine government has sought to develop the agriculture sector through programs like agrarian reform, agricultural modernization and rural finance. However, farmers and fisherfolk remain to be the poorest sector in the Philippines. This paper seeks to explore ways to improve small farmers and fisherfolks' access to the credit provided by formal financial institutions. The government needs to implement and improve on its existing programs, identified in this study, and combine these with policy

reforms and new strategies to fast-track the development of the food and agriculture sector to make economic growth more inclusive. *G.V. Teves*

DP 2014-16

Remittances, Informal Loans, and Assets as Risk-Coping Mechanisms: Evidence from Agricultural Households in Rural Philippines

Abstract: This paper investigates whether agricultural households in rural Philippines insure their consumption and whether they use remittances, informal loans, or assets as ex post riskcoping mechanisms. Since these households have limited access to formal insurance and credit markets, any shocks to their volatile income can have substantial impacts. Using panel data and rainfall shocks as the instrumental variable for income shocks, this paper finds evidence that households depend on their networks of family and friends to partially insure their consumption. 2SLS and OLS estimates show that approximately 27 percent of consumption is insured. International remittances from migrant members replace about 11 percent of income decline while domestic transfers replace

about 14 percent. Informal loans, however, decrease as rainfall shocks increase. Borrowers and lenders may be experiencing similar shocks, which would reduce the effectiveness of local risk-sharing arrangements. *M.C. Pajaron*

B. PCED Policy Notes

PN 2014-1

How Did the Philippines Level Its Tax Treatment of Imported and Local Distilled Spirits?

Abstract: On February 22, 2012, the Dispute Settlement Body (DSB) of the WTO found the Philippines to have violated its national treatment obligation on distilled spirits, urging the government to undertake the required correction to the relevant tax laws. The body ruled in favor of the European Union, which filed the complaint on July 29, 2009, alleging that the Philippines had discriminated against imported distilled spirits by taxing these products at higher rates than distilled spirits derived from sugar and other designated materials. Under the national treatment principle, a contracting member state is committed to apply its internal taxes equally on both imported and locally produced products covered. On January 28, 2013, the Philippines notified the WTO

that it had complied with the decision of the DSB by enacting the Sin Tax Reform Law of 2012. It turns out that the Sin Tax Law had taxed local spirits at a higher rate compared to imported ones. This is documented in this study, along with a discussion on the implications of the distortion on the local markets of distilled spirits. *R.L. Clarete*

PN 2014-2 Designing a Competitive Electricity Market

Abstract: Years after the **Electricity Power Industry Reform** Act (EPIRA) marked the departure from a centrally-managed highly regulated structure to a decentralized market-oriented system, the expected reduction in electricity prices and the anticipated boost in investments in the sector have not taken place. This note tries to unravel the reform enigma by focusing on the design, specifically the introduction of competition at the wholesale level while limiting the analysis to trading protocols observed in the wholesale electricity spot market (WESM). Could electricity prices have been lower under a different market design from the one currently applied in WESM? Bidding behaviors of market participants are largely influenced by auction designs so that the observed behavior in one regime cannot be used to predict the outcomes

in another. Thus no one auction design is superior and appropriate for all markets. *M.J.V. Abrenica*

PN 2014-3 Tax Policy for Good Governance, Job Creation, and Inclusive Growth

Abstract: How can tax and expenditure policy help achieve inclusive growth? The author suggests five major reforms to achieve this—increasing the tax effort, reducing or eliminating tax exemptions, taxing all income at the same set of progressive rates, eliminating payroll taxes, and reducing and rationalizing fees. *R. Alonso*

PN 2014-4 Investing in S&T and R&D in the Face of AEC Competition

Abstract: How can the Philippines more confidently face the competitive challenges of the ASEAN Economic Community (AEC) by end-2015? The authors argue that along with other policy reforms, it is a must to invest substantial resources in quality education, science and technology, research and development and and also in innovations required for the country's economic modernization and long-run inclusive development. E.Pernia and R. Clarete

C. UPSE Working Papers

PN 2014-5

Eastern Visayas after Yolanda: Evidence from a Household Survey

Abstract: Have Typhoon Yolanda-affected families already recovered? This Note investigates if the families are back on their feet. It shall also examine the factors that aid in their recovery. *M. Ravago and D. Mapa*

PN 2014-6

Improving Credit Access for the Food and Agriculture Sector through the Enhanced Implementation of Existing Policies and New Strategies

Abstract: For several decades, the government has sought to develop the agriculture sector through programs like agrarian reform, agricultural modernization, and rural finance, but farmers and fisherfolk remain to be the poorest in the Philippines. The government needs to implement and improve on its existing programs, identified in this paper, and combine these with policy reforms and new strategies to fast-track the development of the food and agriculture sector and make economic growth more inclusive. G.B. Teves

WP 2014-01

ASEAN Integration: Will the Philippines Gain or Lose Jobs?

Abstract: Does the ASEAN integration help the Philippines create jobs? In 2015, the global community expects to see a formalization of the ASEAN Economic Community (AEC) with its four pillars: (a) a single market and production base, (b) competitive economic region, (c) equitable economic development, and (d) a region fully integrated into the global economy. Using an applied general equilibrium model of the global economy, the economic effects of preferential tariff reforms on goods in the AEC are simulated with or without labor unemployment in the Philippines. Results show that the preferential opening of the country to regional trade expands demand for Philippine exports more than it reduces jobs in the import substituting industries of the country. Ways on how to realize this potential to meet the unemployment challenge in the current Philippine development plan are discussed in the paper. R.L. Clarete

WP 2014-02 Macroeconomic Simulation Model of the Philippine Economy

Abstract: This paper presents a macroeconometric simulation model of Philippine economy. The model consists of eight sectors: consumption, investment, government, production, trade, prices, money, and labor. To incorporate economic theory and both long-run and shortrun dynamics, the behavioral equations are estimated in the equilibrium correction model (ECM) form. *S.L. Daway, G.M. Ducanes, A. Mendoza, and G. Siton*

WP 2014-03 Should We Re-think Income Taxation in the Philippines?

Abstract: The current income taxation structure of the Philippines has elements of inequity. Only 16 percent of workers bear 85 percent of tax payments. Salary and wage earners are excessively burdened, relative to the self-employed. One source of inequity is the failure of a number of workers to pay the right taxes, if at all. Another source of inequity is the phenomenon of "bracket creep"

resulting from the failure to adjust tax brackets by inflation. We argue that the inflation-adjusted brackets come with a small price, and that the payment for this price can come from reforming the income tax structure. Using data from the merged 2013 Labor Force Survey and 2012 Family Income Expenditure Survey, we illustrate a simplified tax structure with inflationadjusted tax brackets and lower tax compliance among the selfemployed. This proposed tax structure can shift an additional 11 percent of the income tax burden to the highest tax bracket. S. Quimbo and X. Javier

WP 2014-04 Towards an Interest Rate Corridor

Abstract: This paper, using the market for bank reserves as a framework, analyzed the so-called interest rate corridor and its special case, the floor system. It also discusse, using diagrams, how monetary tools affect overnight rate/key policy rate, how the overnight rate/key policy rate, in turn, affects the inflation rate, and how in interest corridor may be used to contain short-term capital inflows. Furthermore, the paper discusses why countries moved to a floor system and how they can move again towards a normal interest rate corridor. *F.B.N. Carlos*

WP 2014-05 Household Coping and Recovery from Nature's Wrath: Rising from the Ruins of Yolanda

Abstract: Typhoon Yolanda (Haiyan), one of the strongest storms ever recorded, hurledmassive destruction across the central part of the Philippines in November 2013. The question foremost in everybody's mind is whether the Yolanda-affected families have already recovered. Utilizing a recent household survey, we found that 36% of the household samples have not yet experienced even a partial recovery. Using logit-regression analysis, we investigated the various coping mechanisms that Yolanda-affected families have employed to aid in their recovery. We also found that the most prominent coping activitiesweres taking precautionary measures and asset disposal. Government assistance positively aided in the recovery but only of the poor. Furthermore, the probability of recovery is lower for those that are located in the badly hit Leyte relative to the other provinces. M.V. Ravago and D.S. Mapa

WP 2014-06 Where Does the Money Go? Assessing the

Expenditure and Income Effects of the Philippines' Conditional Cash Transfer Program

Abstract: Evaluation studies on conditional cash transfers (CCT) in the Philippines found small if not insignificantly different from zero effects on household consumption. We used propensity score matching to examine how recipients made use of the money they received, taking into account possible changes in recipient behavior. We found evidence of crowding in—CCT households receive higher transfers from other domestic sources as a positive spillover from becoming CCT beneficiaries. Poor CCT households tended to lower their dissavings while nonpoor beneficiaries became less indebted. We also found evidence of lower income, lower wages, and lower workrelated expenses.

S. Quimbo, J. Capuno, A. Kraft, R. Molato, and C. Tan UPSE Discussion Paper Series UPSE Working Paper Series, PCED Policy Notes

Table 4. 2014 UPSE Discussion Papers				
DP #	TITLE	AUTHORS		
1401	Unemployment and Poverty	E. de Dios		
1402	Comprehensive Agrarian Reform Program (CARP): Time to Let Go	R. Fabella		
1403	Time to Let Go of CARP? Not so fast?	T. Monsod and S. Piza		
*1404	Rights and Capabilities: Reading the Philippines Magna Carta of Women from the Perspective of the Capabilities Approach	M. Durano		
1405	The Impact of Philippines' Conditional Cash Transfer Program on Consumption	M. Tutor		
*1406	Why Do People Leave Bequests? For Love or Self-Interest? Evidence from a New International Survey of Bequest Plans	C. Horioka		
1407	The Role of Science, Technology and Research in Economic Development	R. Clarete, E. Pernia, A. Gaduena, A. Mendoza,		
1408	Who Are Poor and Do They Remain Poor?	G. Ducanes, E. A. Tan,		
1409	Population Management, RH Law, and Inclusivity	E. Pernia		
1410	The Life and Work Of Martin Stuart ("Marty") Feldstein	C. Horioka		
1411	Beyond The Remittances-Driven Economy: Notes As If tzhe Long Run Mattered	F. Medalla, R. Fabella, E. de Dios		
1412	Evolutionary Economics and Household Behavior	C. Horioka		
1413	The Picketty Inequality in the Nash-Bargained Social Contract	R. Fabella		
*1414	Exchange-Rate Overshooting: An Analysis for Intermediate Macro	F. Carlos		
*1415	Improving Credit Access for the Food and Agriculture Sector Through Enhanced Implementation of Existing Policies and New Strategies	G. Teves		
*1416	Remittances, informal Loans, and Assets as risk Coping Mechanisms: Evidence from Agricultural Households in Rural Philippines	M. Pajaron		

*PCED-Funded DP

For more information visit UPSE Discussion Papers website at http://www.econ.upd.edu.ph/dp/index.php/dp

Table 5. UPSE Working Papers				
REFERENCE #	TITLE	AUTHORS		
WP 2014 – 01	AEC Tariff Reforms: Will the Philippines Gain or Lose Jobs	R. Clarete		
WP 2014 – 02	A Macroeconomic Model of the Philippine Economy	S. Daway, G. Ducanes, A. Mendoza, and G. Siton		
WP 2014 – 03	Should We Re-think Income Taxation in the Philippines?	S.Quimbo, X.Javier		
WP 2014 – 04	Towards an Interest Rate Corridor	F. Natividad-Carlos		
WP 2014 – 05	Household Coping and Recovery from Nature's Wrath: Rising from the Ruins of Yolanda	M. Ravago, D. Mapa		
WP 2014 – 06	Where Does the Money Go? Assessing the Expenditure and Income Effects of the Philippines' Conditional Cash Transfer Program	S. Quimbo, J. Capuno, A. Kraft, R. Molato, and C. Tan		

All are funded by the PCED

Table 6. PCED Policy Notes				
PN SERIES	PN SERIES TITLE			
PN 2014 – 1	PN 2014 – 1 of Imported and Local Distilled Spirits?			
PN 2014 – 2	Designing a Competitive Electricity Market	M. Abrenica		
PN 2014 – 3	Tax Policy for Good Governance, Job Creation and Inclusive Growth	R. Alonso		
PN 2014 – 4	Investing in S&T and R&D in the Face of AEC Competition	E. Pernia R.L. Clarete		

Dissemination

A total of 39 seminars were conducted under the UPSE-PCED Seminar Series in 2014 [Table 7].

The PCED also held a spec ial seminar at the 52nd Annual Meeting of the Philippine Economic Society last 14 November 2014 at the Intercontinental Hotel, Manila [Table 8].

It also supported the launch of the following books authored and edited by the UPSE Faculty:

- Cesar Virata: Life and Times through Four Decades of Philippine Economic History Dr. Gerardo Sicat, 22 August 2014
- 2. Sustainable Economic Development Dr. Arsenio Balisacan, Dr. Ujjayant Chakravorty, and Dr. Majah-Leah Ravago, 17 November 2014

The UPSE and the PCED participated in the Second International Conference on Agricultural and Rural Development (ARD) organized by the Southeast Asian Regional Center for Graduate Study and Research in Agriculture (SEARCA) held on 12-13 November 2014 at Makati Shangri-La, Manila [Table 9].

Table 7.	Table 7. 2014 UPSE – PCED Seminar Series			
DATE	SPEAKER	ΤΟΡΙϹ		
10-Jan	Mark Rosegrant	Climate Change and Food Security: Impacts and Policy		
10-5411	Mark Rosegrant	Responses		
17-Jan	Rosa Alonso I Terme	What Prevents the Philippines from Undertaking Tax		
17-Jah	Rosa Alonso Fierme	Reform?		
22-Jan	Philip Tuaño	Welfare Effects of Trade Market Liberalization in the		
ZZ-Jali		Philippine Sugar Industry		
24-Jan	Charkes Horioka	The Determinants of Household Saving in Korea and		
24-Jali		India		
5-Feb	Emin Gahramanov	Solving for the Retirement Age in a Continuous-time		
5-reb	Emin Ganramanov	Model with Endogenous Labor Supply		
7-Feb	Ramon Clarete and Alfonso Labao	Predicting Rice Price Crises		
21-Feb	Marina Fe Durano	Rights and Capabilities in the Magna Carta on Women		

DATE	SPEAKER	торіс
7-Mar	Keisuke Kawata	Wage Equations for the Japanese Care Workers: Return
		to Education and Qualification
7-Mar	Daisaku Goto	Assessing Consumer Preference for Solar Water
		Heaters: Choice Experiment in Kunming City, China
12-Mar	Jesus Villa	Financialization and Transformation
23-Apr	Laarni Escresa	A New Cross National Measure of Corruption
16-Jun	John Ham	Program Evaluation with a Small Number of Sites: An
10-Juli		Intervention in California Schools to Reduce Obesity
11-Jul	Hal Hill	Regional Dynamics in a Decentralized Indonesia
1-Aug	Edita Tan and Geoffrey Ducanes	Who are Poor and Do they Remain Poor?
8-Aug	Charles Horioka	Evolutionary Economics and Household Behavior
	Book Launch	Cesar Virata: Life and Times through Four Decades of
22-Aug	Gerardo P. Sicat	Philippine Economic History
28-Aug	Tomoo Kikuchi	Global Public Goods and the Hegemonic Structure
2 5 0 0	Ramon Clarete	How Did the Philippines Level Its Tax Treatment of
2-Sep		Imported and Local Distilled Spirits?
5-Sep	Ma. Joy Abrenica	Designing a Competitive Electricity Market
12-Sep	Stella Luz Quimbo	Should We Re-think Income Taxation in the Philippines?
		Improving Credit Access for the Food and Agriculture
19-Sep	Gary Teves	Sector through Enhanced Implementation of Existing
		Policies and New Strategies
24-Sep	Alfredo Paloyo	The Forgotten Evaluation Tool: An Encouragement
24 Sep		Design Experiment on Supplemental Instruction
26-Sep	Raul Fabella	Development Progeria: What it is and How It Came
		About
3-Oct	Ryan Tans	Decentralization and the Politics of Local Taxation in
		Indonesia and the Philippines
10-Oct	Emmanuel de Dios	Sancianco: An Early Advocate of Presumptive Taxation
17-0ct	Joseph Capuno	Can You Estimate Your impact? A Harmless Intro to
		Impact Evaluation Methods

DATE	SPEAKER	торіс		
22-Oct	Fidelina Natividad - Carlos	Exchange-Rate Overshooting: An Analysis for		
22-001	Fidelina Natividad - Carlos	Intermediate Macro		
24-Oct	Renato Reside Jr	How Efficient are Tax Incentives for Investment in the		
24-000	Kenato Keside Si	Philippine Power Sector?		
30-Oct	Eli Remolona	Investing in Emerging Markets: How Do Global		
30-000	Linkemotona	Investors Differentiate Between Sovereign Risks?		
4-Nov	Romeo Matthew Balanquit	Game Between Bounded Rationals: Does It Pay To Be		
4-1107	Komeo Matthew Balanquit	"More Rational"?		
7-Nov	Lino Briguglio	Technological Advance and the Falling Share of Labour		
7-1100		in The EU		
14-Nov	52 nd Philippine	e Economic Society Annual Meeting		
		The Foundations of Development Policy Analysis:		
17-Nov	James Roumasset	Beyond Economic Modernism		
	Book Launch			
1) 7 NI	Arsenio Balisacan, Ujjayant			
1\7-Nov	Chakravorty,	Sustainable Economic Development		
	and Majah-Leah Ravago			
		The Impact of Rainfall Shocks on Income,		
21 No.	Mainzia Deianan	Consumption, Remittances, Informal Loans, and		
21-Nov	Majorie Pajaron	Assets: Evidence from Agricultural Households in Rural		
		Philippines		
20 Nov		Why Has Latin America Sped Up Ahead of the		
28-Nov	Rosa Alonso I Terme	Philippines		
3-Dec	Raul Fabella	Jean Tirole: An Impressionist Encounter		
	AC-UPSE Forum			
4-Dec	Stella Luz Quimbo	Should We Re-think Income Taxation in the Philippines?		
10 Dec	Stella Luz A. Quimbo, Aleli Kraft,	Where Does the Money Go? Expenditure and Income		
10-Dec	Joseph Capuno	Effects of CCT		
12-Dec Dennis Mapa, Majah-Leah V. Ravago		Household Coping and Recovery from Nature's Wrath: Rising from the Ruins of Yolanda		

UPSE-PCED Seminar Series is available at http://www.econ.upd.edu.ph/research/upse-seminars/

Table 8. UPSE- PCED Supported Parallel Sessions at the 52nd PES Annual Conference

PRESENTER	TITLE OF PRESENTATION
A3 PCED Parallel Session	Disaster Management and Electricity
Majah-Leah V. Ravago James Roumasset	Eastern Visayas after Yolanda: Evidence from a Household Survey
Cheryl Joy Fernandez Riccardo Welters Natalie Stoeckl	Floods and Life Satisfaction in Regional Philippines
Pia Marie P. Medrano	The Economics of Renewable Energy for Missionary Electrification in the Philippines
B2 PCED Parallel Session	Institutions, Values, and Economic Growth
Acram Latiph	Political Clientelism and Underdevelopment in Muslim Mindanao
Lino Briguglio	Institutions and Economic Growth in the Philippines: Evidence from International Databases
Rosa Terme	Why has Latin America Sped Up Ahead of the Philippines in Development Outcomes?
Joseph Capuno	Do Middle Income Class Filipinos have Middle Class Values?
Arsenio Balisacan	Plenary Session

PES Website: pes.org,ph

Table 9. UPSE – PCED Session at SEARCA – ARD Conference				
PRESENTER	TITLE OF PRESENTATION			
UPSE-PCED Session	Land Markets and Land Tenure Session			
Dr. James Roumasset	Land Reform with Asian Characteristics: Pros and Cons			
Dr. Raul V. Fabella	Comprehensive Agrarian Reform Program (CARP): Time to Let Go			
Central Bicol State University of Agriculture Session	Disaster Management and Mitigation			
Dr. Majah – Leah V. Ravago Dr. James Roumasset	Helping Farm Households Cope with Climate Change and Adverse Events			

SEARCA – ARD Conference is available at http://www. ard2014.searca.org/





Dr. Sicat's Book Launch





Seminar and Book Launch









UPSE-PCED Supported Session at the 52nd PES Annual Conference









UPSE-PCED Session at SEARCA - ARD Conference



For more information and updates, please visit our official websites, like our Facebook page (https:// www.facebook.com/dilimanupse) and follow us in twitter(https://www.twitter.com/dilimanupse).



PCED Board Meeting



Library Acquisition

The PCED funded the renewal of the Library's subscription of 24 local and foreign periodicals, books, magazines and newspapers. 653 titles were acquired in 2014 and were integrated into the collection. By the end of 2014, the Library's collection is comprised of 104,122 volumes of print and non-print materials.

The PCED also provided salaries for hired student assistance in order to fill the manpower requirement of the Library. In addition, it gave financial support for the Library's minor programs and activities that needed immediate action.



Maintenance and Upgrade of PCED Property

The maintenance and upgrade of the School's facilities, which is part of the PCED complex in UP Diliman, is a key component of PCED's support to UPSE. Table 10 details the facility support provided by PCED for 2014.

Т	able 10. Maintenance and Upgrade Projects			
	PROJECT DESCRIPTION	SUPPLIER/ CONTRACTOR	STATUS	TOTAL COST
1	Supply of labor and materials for the cleaning of walls (building facade) of PCED Main and Library Building by	Rope Access	Completed	P500,000.00
	using pressure spray			
2	Supply of labor and materials for the rehabilitation of			
	ground floor comfort rooms at the PCED main Building	CTDC Enterprises	Completed	P482,270.87
3	Supply of labor and materials for the waterproofing of			
	walkway and the fabrication of plant boxes for PCED	KB KONSTRAK	Completed	P459,000.00
	Building			
4	Supply of labor and materials for the repainting of	KB KONSTRAK	Completed	P495,000.00
	PCED Main and Library Building			
5	Supply, Delivery and Installation of lighting fixtures	Good Mark		
	with led tube lamps for the hallways of PCED Main Building (from ground to third floor)	Marketing	Completed	P239,850.00
6		Innovalite		
	Supply, Delivery and installation of emergency led	Electrical	Completed	P174,500.00
	lamps at the PCED Main and Library Building	Enterprises		
7	Supply and installation of solar powered parking lights	New World	Completed	P352,250.00
	for the PCED parking area	Enterprises		
8	Supply, delivery and installation of new circuit	Good Mark		
	breakers for the PCED Main Building	Marketing	Completed	P489,250.00



Table 11. PCED Staff as of December 2014		
POSITION TITLE	NAME OF INCUMBENT	
Executive Director	Ramon L. Clarete	
Adm. Asst. III	Rowena V. Alvarez	
Research	n Division	
Division Chief III	Majah-Leah V. Ravago	
Adm. Asst. II	Gloria D. Lambino	
Adm. Asst. II	Gil S. Mallari	
Special Projects Division		
Division Chief III	Cielo D. Magno	
Adm. Asst. II	Juliet R. Gordulan	
Finance and Adm. Division		
Division Chief III	Renato E. Reside, Jr.	
Accountant III	Nerissa L. Deleña	
Adm. Officer III	Ma. Teresa B. Tueres	
Adm. Asst. III	Ruth V. Abaloyan	
Adm. Asst. II	Judy Vi V. Avila	
Adm. Aide IV	Robert T. Barcelo	
Adm. Aide IV	Larry M. Sagcal	
Adm. Aide II	Alberto M. Calaguas	

Fiscal Resources and General Allocation

Table 12. 2014 Authorized and Actual Expenditures of PCED			
Expenditure items	Authorized Expenditures	Actual Expenditures	
Personal Services (PS)	2,847,000.00	2,869,402.20	
MOOE	27,398,000.00	21,838,433.54	
Capital Outlays (CO)	4,000,000.00	4,377,798.61	
	34,245,000.00	29,085,634.35	

Table 13. PCED Balance Sheet December 31, 2014 (with corresponding figures for 2013, in pesos)			
ASSETS	FY 2014 (Actual)	FY 2013 (Audited)	
Current Assets			
Cash	33,614,346	32,080,726	
Receivables - Net	17,398,984	18,313,501	
Inventories	707,490	306,693	
Prepaid Expenses	102,408	121,838	
Total Current Assets	51,823,228	50,822,758	
Financial Assets	85,080,849	75,753,579	
Property, Plant and Equipment - NET	17,705,545	15,604,761	
TOTAL ASSETS	154,609,622	142,181,098	

LIABILITIES	FY 2014 (Actual)	FY 2013 (Audited)
Accounts Payable	8,390,982	3,513,560
Trust liabilities	386,615	441,315
TOTAL LIABILITIES	8,777,597	3,954,875

EQUITY	FY 2014	FY 2013
	(Actual)	(Audited)
Donated Capital	14,890,129	14,890,129
Capital - Miscellaneous	23,677,893	23,677,893
Retained earnings	107,264,003	99,658,201
TOTAL EQUITY	145,832,025	138,226,223
TOTAL LIABILITIES AND EQUITY	154,609,622	142,181,098

For the year ended December 31, 2014 (with corresponding figures for 2013 in pesos

ΙΝϹΟΜΕ	FY 2014 (Actual)	FY 2013 (Audited)
Income from Investment	4,032,947	3,903,633
Rent Income	4,327,078	3,803,507
Interest Income	323,220	403,008
Miscellaneous Income	360,250	73,807
Total Income	9,043,495	8,183,955

EXPENSES	FY 2014 (Actual)	FY 2013 (Audited)
PERSONNEL SERVICES		
Salaries And Wages	1,450,360	1,129,876
Other Personnel Benefits	770,852	830,900
Personnel Economic Releif Allowance	170,000	144,000
Life & Retirement/ Philhealth/ HDMF/ ECC Contribition	197,989	160,136
Year-end Bonus and Cash Gift	148,201	121,935
Productivity Incentive Allowances	55,000	42,733
Other Bonus and Allowances	47,000	36,000
Clothing/Uniform Allowance	30,000	30,000
Terminal Leave Benefits	-	-
Total Personnel Services	2,869,402	2,495,580
MAINTENANCE AND OTHER OPERATING EXPENSES		
Donations	10,200,521	9,838,113
Depreciation Expense	2,518,481	1,599,242
Other Professional Services	2,836,424	7,166,669
Repairs and Maintenance	1,784,614	1,021,278
Auditing Services	860,977	-
Office and Other Supplies Expense	661,780	609,213
Representation Expense	259,912	267,591
Training Expense	213,522	94,108
Printing and Binding Expenses	98,174	-
Postage and Deliveries	28,425	
Insurance Expense	21,000	13,592
Travelling Expense - Local	17,529	17,701
Subscription Expense	13,519	-
Gasoline, Oil and Lubricant Expenses	2,022	34,020
Taxes, Duties and Licenses	5,980	5,978
Miscellaneous Expense	41,410	39,320
Total Maintenance and Other Operating Expense	19,564,290	20,706,825
TOTAL EXPENSES	22,433,692	23,202,405
Net (Loss)/Income before Subsidy	(13,390,197)	(15,018,450)
Subsidy fron the National Government	21,000,000	14,500,000
Net (Loss)/Income after Subsidy	7,609,803	(518,450)

Directory of Key Officials

2014

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2015

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